Headquarters U.S. Air Force

Integrity - Service - Excellence

Inventory Efficiency AF Approach to PBD 422 Update

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Overview

- **Background**
- **Oklahoma City ALC (OC-ALC) and Lackland AFB Initiatives**
- **What's Next?**
- **Summary**

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Background

- PBD 422 directed the elimination of Service-owned retail inventory for DLA-managed items
- AF submitted three alternatives; OSD approved
  - Eliminate co-located stocks at ALCs
  - Push vs Pull at operational base (TBD)
  - Regional stockage of low demand items (FY 04)
  - Provide visibility and usage data to DLA
- OC-ALC selected as initial test site
- Different initiative at Lackland AFB added later

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OC-ALC Initiative

- Eliminates co-located stocks at OC-ALC
- Joint AF/DLA working groups
  - Materiel Management
  - Financial
- Initial candidate items selected (3,348 items)
  - OC-ALC Depot Maintenance only user
  - AF will attrite stocks
  - Provide DLA usage data during attrition
- Draft business rules developed and in coordination

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OC-ALC Initiative (cont'd)

- Metrics being finalized
  - Customer Wait Time
  - Physical Delivery Time
  - Supply Availability (Issue/Stockage Effectiveness)
  - Backorder Age
  - Financial (cost savings and avoidance)
- Next meeting scheduled for 29 May 03
  - Finalize processes and business rules
  - Start initiative 30 Jun 03

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Lackland AFB Initiative

- Initiative with DSCP to contract Apparel Research Network to run issue function
- Transfer materiel to DLA for basic military training clothing support
  - MOA developed between AETC and DSCP
- Obtained SAF/FMB approval to transfer $1M in inventory to DLA
- Site survey scheduled for Jun 03
- Start date scheduled for 1 Oct 03
  - Working to accelerate start date

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What's Next?

- **Eliminate co-located stocks at other ALCs**
  - **Identify stocks common to other ALCs**
  - **Develop business rules and metrics**
- **Transfer support for Junior ROTC clothing requirements to DLA**
  - **Identifying POCs at each location**
  - **Begin transfer in FY 04**

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Summary

- Both initiatives progressing well
- Some concern about stock outages at ALCs
- However, no major issues identified
- Working groups very effective
- Quarterly reviews on both initiatives